

The Challenge

"LET THE NATION OWN THE TRUSTS"

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The Mission of The Workingman

REV. CHARLES H. VAIL

One of the strangest things is that people should consent to leave their industrial interests in the hands of irresponsible persons to be controlled for private emolument. The present economic rulers hold the livelihood of the people in their power, and admit of no responsibility. This department of life is of the utmost interest to every man. Why should a man be deprived of a voice in the industrial group of which he is a member, more than in the political group? Of what value is it to democratize politics and not industry? Socialism proposes to substitute a popular self-government in the industrial as in the political world. Economic democracy is a corollary of political democracy. Socialism would bring this industrial regime under popular government, to be exercised by the people in the interests of the people.

The present industrial regime is despotic. In place of this despotism it is proposed to substitute a Social Democracy. There is no reason why we should have sovereign rule in the industrial realm more than in the political; or why we should abrogate chattel slavery and leave untouched wage slavery.

Industrial democracy being in the line of evolution is certain of attainment. Democracy has already been attained in politics and religion, and industry is passing through similar stages of development.

In the early period of human history, men fought singly. Next they gathered into groups for self-preservation, forming the tribe or nation, which necessitated a leader, chief or king. When these rulers began to abuse their power the people rose in their might and asserted their independence. They dethroned the monarchs and selected their own governors, making them responsible to society for their official acts. In religion, we find the same development. Men first worshiped alone, then they gathered into groups and formed religious societies. These organizations were led by men appointed for the purpose. When the priests began to abuse their power, the people rebelled. Reformations were inaugurated and religious democracy established.

Do we not find the same thing in industry? Men first worked individually, as in the Handicraft Stage, then gradually they became associated in groups, and division of labor was introduced as

in the Manufacturing Stage. These associations grew into greater and greater magnitude, as in the Factory Stage, each requiring special direction and management, and so the master workman developed into an industrial chief—a captain of industry. These rulers, like those in politics and religion, have perverted their power, and the people are rising, and will make their economic rulers, as they did their political and religious rulers, responsible to themselves. Democracy has always followed despotism. Will it fail in the industrial realm? No. We shall have an industrial republic

planted upon the foundation of our political republic.

Socialism logically demands the socialization of the instruments of production to correspond with the socialization of production on the one hand and political democracy on the other.

The question then, today, is, Shall we have organized capital in the hands of individuals, or in the hands of society? The choice is not between competition and combination, for the former is rapidly disappearing. Combination either of the few or many is inevitable. Combination is the Socialistic way of doing business; competition is the individualistic way.

Industry, then, has successfully passed from the handicraft stage of production into the era of manufactures, and from thence into modern mechanical industry, and this era has evolved into the corporate or joint stock stage, and is now rapidly taking on the form of monopoly. But this monopolistic stage, which has been entered, is not the end, for as individuals have combined into corporations, and corporations into trusts, so trusts will combine into a Co-operative Commonwealth. This being logical, is inevitable. In economic evolution there is no retrogression. It is only in uni-

versal combination that a complete consummation can be attained. Trusts must combine into the great trust—the nation. There is no more possibility of our re-entering any of the past eras of production from which we have evolved than there is of the butterfly re-entering the chrysalis. The stage of handicraft and manufacturing, and even the competitive stage of modern industry has passed, or is rapidly passing, into innocuous desuetude. As slavery gave way to feudalism and feudalism to capitalism, so capitalism must give way to Socialism. But everything in its own order, first the



REV. CHAS. H. VAIL.

National Organizer Social Democratic Party of America

blade, then the ear, and after that the full corn in the ear.

The fruits of industrial evolution are now reaped by the few. The trust is Socialism for the few at the expense of the many. What we want is Socialism for all at the expense of none. The trust utilizes the methods of Socialism—combination, co-operation and co-ordination—to get the best results from man and nature without the Socialist aim and spirit. Every trust virtually admits the truth of Socialist charges, that competition is wasteful, and that by combination the cost of production is greatly reduced, and harmony restored in the industrial realm. The only solution of the problem is that which has been pointed out—the socialization of the trust, that the benefits now monopolized by the few may become the inheritance of all. The choice must be between Plutocratic Socialism and Democratic Socialism.

The development of the trust is a great annoyance to the middle class of small producers and distributors, and so we find them raising a hue and cry about the tyranny of the trust. Why is this? It is because they belong to the competitive stage of modern industry, which stage is fast being supplanted by the monopolistic, and as a result they are being forced into bankruptcy. The trust, which is the logical sequence of the competitive system, is the great labor-displacing machine of the big capitalist. Of the 14,000 failures annually 87 per cent are those whose capital was \$5,000 or less, and 9 per cent those whose capital was over \$5,000, but less than \$20,000. Consequently of the total failures, only about 4 per cent have a capital in excess of \$20,000.

But this is not all. We are told that of the 1,168,343 firms doing business in the United States and Canada in 1897, 223,332 either failed or wound up their affairs after losing their last dollar. At this rate it would take but about five years to wipe out the existence of the whole middle class were there not an equal number standing ready to invest their small earnings or inheritance in middle class enterprises. But the supply is not inexhaustible. The wealth of these aspirants of bankruptcy will soon be absorbed by the plutocracy and then society will be divided into two classes—a few hundred prodigiously wealthy families on the one side and the great mass of proletarians on the other.

The middle class reads its own doom in the concentration of wealth in the hands of the few. It is nearing the breakers. The field of production is already nearly closed, and the men of means, having nowhere else to invest their increasing wealth, are now beginning to invade the field of distribution, and the small store will, in a few years, be as scarce as the small factory is now.

Let us not be deceived by statistics here. There was an apparent growth of the middle class from 1880 to 1890: a growth in quantity, but a decrease in quality. Those entering the mercantile middle class were not attracted there by any enlargement of its field of opportunities; they were driven there by the closing up of other avenues of employment and enter only to feed the fire of bankruptcy. Driven from the field of production, they enter the mercantile body only as a halting place on their way to commercial death. This very phenomenon is a symptom of the approaching collapse. As before pointed out, concentration in this field has been delayed, but the time has now come when it will go forward with alacrity as the other fields for investment are being closed. The statistics of 1900 will undoubtedly show a rapid decrease in the number of the middle class. Is it any wonder, then, that the middle class should raise a cry of protest against this concentration when it sees its special privileges vanishing before the approaching trustification of industry?

Its protest, however, is not in behalf of the laboring class, but in behalf of its own existence. Its cry is not against the exploiting system of production, but against the new capitalism, represented by plutocracy, becoming the sole exploiter. The middle class does not object to some riding on the backs of others, it only objects to being the party ridden. The old capitalism cries out against the new, because it feels the iron heel of capitalistic oppression.

Their opposition to progress, however, is about as futile as the opposition of the laborers to the introduction of new machinery. The laborers were blind to the benefits of machinery because they saw in it only an instrument of oppression, and their strength was wasted in an endeavor to force a return to the Handicraft Stage of production. The same is true today of the middle class. They are bending their energies toward the dissolution of the trust system, not realizing that the trust is a natural product of industrial evolution. The solution of the problem for both the laboring class and the middle class is not in endeavoring to destroy machinery

and the trust, but in their collective ownership and control.

Socialists recognize that the ultimate goal of capitalist evolution is the trustification of every department of production and distribution, so that the greatest possible product may be realized from the least expenditure of economic forces. The difference between a capitalist trust and a public trust lies in the department of distribution, and capacity of the people to consume the product of their labor at cost. The capitalist trust is Socialism in production, but individualism in distribution. We want Socialism in both production and distribution.

The capitalist class, as represented by the Republican party, endeavors to uphold the trust and its private ownership in order to maintain its own supremacy. Senator Hanna has pointed out the inevitableness of the concentration of industry and the advantages which flow from increased production and economy. But such statements are one-sided, and endeavor to cover up the pathway of blood, the bitterness and failures that has attended its growth. The middle class, on the other hand, as represented by the Democratic party, chooses to see only the evils, overlooking the great power that concentration brings and the enormous economy effected by unified industry. It remains for the Socialist, untrammelled by the interests of the other classes and parties, to clearly point out both the good and evil of concentration, and show how the evil can be eliminated and the good retained. We note with satisfaction the progress which has gone hand in hand with the development of industry, but we clearly see that we have now reached the point where the system of private ownership of the trust blocks the way to further progress. We see that the only salvation is in pushing the evolution on to its logical consummation—public ownership. We reject the Democratic middle class policy of destroying the trust and so throwing civilization backward. We would preserve it and improve it and open it to all. Socialism, then, welcomes the trust, not as a finality, but as a step toward Socialism, and the quicker the constructive work of these great combines work out their destructive counterpart in failure and crises, the quicker the final consummation of the industrial evolution will be effected.

The trust is systematizing and unifying industry and preparing the way for the co-operative commonwealth. Any industry organized into a trust is eminently ripe for appropriation by the community. It is useless to say that such an enterprise cannot be managed by the state, when it is being managed by a band of capitalists. The board of directors—who usually do not own the capital invested—can as readily be made responsible to the whole people as to the shareholders. The directors in charge at the time can be retained, if thought advisable, simply making them responsible to all the people. Socialism is thus seen to be practicable, inevitable, and to rest upon a solid economic foundation.

Now, what are the causes at work that will lead to the consummation? In order to answer this question, we need to understand the causes that have led to the social revolutions in the past. A clear understanding of these causes will reveal the mission of the modern proletariat or working class.

In every age there is a dominant ruling class which shapes and controls the social and industrial organization in its own interests. At first the interests of this class are in accord with the advance of society, but the time comes when their interests are at variance with social progress. The economic development which produces this contrast between the interests of the ruling class and the social interests also develops a class whose interests are contrary to the ruling class and more in accord with the social development. A contest is sure to follow between these conflicting classes, and in the course of time the class more in accord with the changed conditions is bound to triumph. It is simply the new wine breaking the old bottles. When this transformation occurs it may be termed either evolution or revolution. Revolution, however, is but a form of evolution, and is generally the last step in a period of slow growth and preparation.

The final step, whether peaceful or violent, which interchanges the relations between ruling and subject class, is the inauguration of a new stage. This step, however, cannot take place until economic conditions are ripe for it.

Let me illustrate this principle by appealing to history. In the middle ages the ruling class was the landed nobility. This nobility determined the character and form of all social institutions. It also determined the character and form of economic servitude. The whole social system rested upon a form of land ownership. This particular form called serfdom attached the laborers to the soil

as serfs. But the servitude would have been nearly as great had the laborers not been directly attached to the soil, for land, being the principal factor in production, its ownership would have carried with it the ownership of those who must have access to the land or starve.

In this period the landed nobility ruled supreme, and looked with contempt upon all laborers and traders. In the course of time the towns grew into cities, trade and commerce developed, and the small tools of production became gigantic machines. These new implements became the dominant factor in production, thus giving into the hands of their owners the means of overthrowing the landed aristocracy.

The mercantile class, which was despised in its infancy, displaced the nobility and became the ruling class because their interests were more in accord with the economic development. The landed nobility little realized in their supremacy that the class which they despised would work their overthrow. By their contempt and ill-treatment of the mercantile class they were sowing the seed of revolt which was sure to lead to their own destruction.

The old nobility fulfilled its mission and disappeared. Feudalism gave way to capitalism. Its overthrow was caused by the very class which they despised. History is again repeating itself.

The capitalist class today, like its predecessors, shapes and controls the social and industrial organization in its own interests. Legislation, customs, religion, morals, education, public opinion, etc., are all regulated by capitalistic supremacy.

At first the interests of this class were in accord with social progress and well-being, but that time has long since passed. The interests of society and the interests of capitalist producers are now antagonistic. Society wants a large product, but capitalist producers want high values, and values depend upon a limited supply. Were there a sufficient quantity of any product to satisfy all demands, such would cease to have value. Cotton is an illustration of this divergence between class interests and the general interests. Society, of course, wants a large supply of this useful product, but the producers have been trying for some time to devise means to diminish the crop. This is the purpose of every combination, to regulate production and limit the supply to the commercial demand. The result of the present wage and profit system is to artificially limit the consumption by destroying the purchasing power of the masses. The interests of the ruling class, then, are antagonistic to the social interests. Progress and well-being are now blocked by this antagonism which inheres in the present system of wealth production and distribution. We can never hope for the abolition of poverty under such a system. Although modern machinery places at our command the possibility of almost unlimited wealth production, still as long as these instruments are in the hands of private or corporate firms they will only be used for private profit. Poverty in the midst of unbounded wealth is a disgrace to civilization. Were the means of production socially owned, production would be carried on for the purpose of satisfying human needs and would continue until all the needs of the people were met.

But is there any evidence that this ruling class, whose interests have become so opposed to progress, will ever be supplanted? Yes. This very economic development which produced this contrast between the social and capitalist interests has also developed a class whose interests are contrary to the ruling class and more in accord with social progress and well-being. This class is the proletariat, the class of wage and salary workers. By proletariat is meant those who are deprived of property in the instruments of production. The interests of the capitalist and working class are diametrically opposed. When the laborer and capitalist were united in the same person, as in individual production, there was a most complete harmony. But when these functions are separated, as in modern industry, there is nothing but discord.

Capitalism, then, like feudalism, has developed the class which is to work its overthrow. We have seen how the landed nobility and capitalists have performed their work in the social evolution. We now come to the mission of the modern proletariat or working class. This class have a mission to perform, and that mission is the abolition of wage-slavery.

The economic struggle is necessarily a class struggle, a struggle between the proprietor and non-proprietor class. The subjection of the working class is due to the fact that the instruments of production are owned by another class. The interests of these two classes being diametrically opposed necessitates a class struggle. While there are members of the other classes who perceive the truths of Socialism and lend themselves to the cause, still, as a class, we

need not expect them to take the initiative or aid in carrying forward the movement for the abolition of the wage-system. They think their interests lie on the other side, but like the slaveholders of old they are blinded by their prejudice. The majority of this class will have to wait until they are thrown headlong into bankruptcy before their eyes will be opened. But this will not be long. The whole middle class are hopelessly doomed, and it is only a question of little time before they will join the ever-growing majority—the proletariat. But there are many who realize the hopeless struggle and have joined the cause of progress in advance. The work of re-organization, however, must rest chiefly with the proletariat, and the members of this class are being fitted and prepared for the fulfillment of their mission. The laborers have been gathered together in large factories, where they have been organized and made to feel their class-consciousness and solidarity.

But, as we have seen, the transition from one stage to another cannot take place until conditions are ripe for it. Although the proletariat has been in existence many years, the time was not ripe for it to work out its destiny until the economic evolution had expressed itself in the trust and syndicate. This condition is now realized and the time has come for the proletariat to work out its destiny.

In all previous revolutions class has superseded class. The class below has overthrown the class above, thus emancipating itself by subjecting others. But the triumph of the working class is necessarily the abolition of all economic dependence, for the working class can only emancipate itself by socializing the instruments of production and distribution. The new servitude which arose as the result of other revolutions was caused by a continuance of private property in the instruments of production. By abolishing this private ownership the cause of economic dependence and servitude will disappear.

The rapid concentration of wealth evidences that the end of capitalism is near. This end is also evidenced by the rapid organization of the working class. But how will the final step be taken? What are the means by which the working class will emancipate itself? Class interests and class politics are inseparable. It was perfectly natural, then, that as these class lines became more and more tightly drawn they should find political expression, and that the working class should organize politically to secure its rights. The class-conscious laborers are today organized under the banner of Socialism. This party claims your confidence and support as laborers because it expresses your interests and rights as a class. Its purpose is to awaken in you a conception of your class interests and lay the foundation of a class-conscious political organization. The first step toward emancipation is the mastery of the public powers. In the political field you are supreme. Here you meet the capitalist as an equal, while as a class you overwhelmingly outnumber the capitalists and your advantage is constantly increasing with the destruction of the middle class and the narrowing of the capitalist class.

The time has come for the manual and mental workers to unite and strike for liberty. Strike at the ballot box for freedom. Vote into effect your demand for the abolition of wage-slavery. Wrench by united political action the power of government from the hands of your exploiters, that you may put your economic program into effect. In your effort to attain this end accept no political palliative. Any measure which does not tend to the abolition of wage-slavery is unworthy of your support. The laboring class must learn that it need expect nothing from any political party which does not stand squarely upon the demand to wrench from the exploiting class the economic and political weapon of exploitation. No such uncompromising demand as this will ever be made by any political division of the capitalist class. If the laborers are to achieve their emancipation they must stand upon a platform of their own, demanding the unconditional surrender of the capitalist class. The Socialist party is the party that presents this demand and proposes to carry its principles into effect. Laborers, why longer waste your efforts in the old political parties, which are but handmaids of the capitalist class? Their chief object is to divide us into various factions, fighting against each other, and thus prevent our uniting to secure our freedom. The petty political issues which the Republican and Democratic parties raise are only for the purpose of fleecing us on the one hand and throwing dust into our eyes on the other, lest we see the only real question at issue—Socialism vs. Capitalism.